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PATENT
Atty. Docket No. 35512-34

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GROUP 3600

IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

In re Application of:

STEPHEN A. KLEIN, ET AL.

Serial No.: 09/615,025

Filed: July 13, 2000

For: IDENTIFYING INDUSTRY SECTORS
USING STATISTICAL CLUSTERIZATION

Group Art Unit: 3625

Examiner: Garg, Yogesh C.

RESPONSE TO NOTICE OF NON-RESPONSIVE AMENDMENT

Commissioner for Patents
P.O. Box 1450
Alexandria, VA 22313-1450

Sir:

The following remarks respond to the Notice of Non-Responsive Amendment dated November 5, 2003. The Notice states that the Response filed on August 7, 2003, did not address or submit arguments with respect to the 35 U.S.C. § 101 rejection set forth under heading 2.1 of the Office Action dated May 7, 2003.

Applicants believe that the earlier Response does respond to this rejection. In fact, it appears that the grounds for the § 101 rejection under heading 2.1 are very similar to the grounds for the § 101 rejection under heading 2.2. Accordingly, the remarks in the Response filed on August 7, 2003, are believed to simultaneously address both. The relevant portions of those arguments are summarized below, with particular reference to the grounds presented under heading 2.1.

One of the primary grounds for the subject rejection was that the claimed invention allegedly lacked practical application and was not concrete or tangible (page 2 of the Office Action). In the Response, it was pointed out that the claims, as amended, recite the additional practical step of purchasing or selling an asset based on an assessment of: (i) how statistics for at least one of the formed groups vary over time; or (ii) how one asset in one of the formed groups compares to other assets in the same group.

It was further pointed out that facilitating the making of better decisions as to whether or not to buy or sell an asset clearly has "practical utility" (or equivalently, "real-world value", in accordance with MPEP §2107.01). Similarly, the newly recited step of purchasing or selling an asset is both "concrete" and "tangible" and eliminates any argument that the recited process "consists solely of the manipulation of an abstract idea".

On page 3 of the Office Action, it was suggested to include the use of technology, such as a computerized network or system, to overcome the rejection. Although this may have been one approach to overcome the rejection, it is not believed that the recitation of a computerized network or system is necessary for patentability of

a process under § 101. Rather, § 101 expressly permits the patenting of "any new and useful process". As pointed out in the Office Action, the courts have interpreted the usefulness standard to mean "practical utility", "real-world value", a "concrete" and "tangible" result, etc.

According to these standards, the mere calculation of a share price was held to be sufficient by the Federal Circuit in the *State Street v. Signature Financial* case. See, e.g., MPEP § 2106:

"[T]ransformation of data, representing discrete dollar amounts, by a machine through a series of mathematical calculations into a final share price, constitutes a practical application of a mathematical algorithm, formula, or calculation, because it produces 'a useful, concrete and tangible result' -- a final share price momentarily fixed for recording and reporting purposes and even accepted and relied upon by regulatory authorities and in subsequent trades." *State Street*, 149 F.3d at 1373, 47 USPQ2d at 1601

In *State Street*, as indicated above, the particular claims at issue pertained to a machine. However, the court did not appear to place any importance at all on that fact, and to the contrary held:

"The question of whether a claim encompasses statutory subject matter should not focus on which of the four categories of subject matter a claim is directed to n⁹ --process, machine, manufacture, or composition of matter--but rather on the essential characteristics of the subject matter, in particular, its practical utility."

Id., 149 F.3d at 1375.

The presently recited claims go well beyond the mere calculation of a share price in terms of practical utility, real-world value and concrete, tangible results, reciting the step of purchasing or selling an asset. Thus, the present claims are believed to be clearly within the scope of 35 U.S.C. § 101.

⁹ n⁹ merely states, "Of course, the subject matter must fall into at least one category of statutory subject matter.."



Serial No. 09/615,025

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Respectfully submitted,

MITCHELL, SILBERBERG & KNUPP LLP

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Dated: December 2, 2003

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